



VOLUME 1, ISSUE 1

FINANCIAL HIGHLIGHTS COUNTY OF SAN BERNARDINO FISCAL YEAR ENDED JUNE 30, 2005

NOVEMBER 10, 2005

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AUDITOR/CONTROLLER-RECORDER

I am pleased to present San Bernardino County's Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2005. This financial report is designed to be presented in an easily understandable format.



Larry Walker, Auditor/Controller-Recorder

The goal of this PAFR is to increase public awareness of San Bernardino County finances by providing financial information that is understandable to the

average citizen. I invite you to share any questions, concerns, or comments you may have. For more in-depth knowledge I also encourage you to review San Bernardino County's Comprehensive Annual Financial Report (CAFR), that is available online, and at the Auditor/Controller-Recorder's office.

MISSION STATEMENT

The mission of the government of the County of San Bernardino is to satisfy its customers by providing service that promotes the health, safety, well being, and quality of life of its residents according to the County Charter, general laws, and the will of the customers it serves.



Board of Supervisors

Bill Postmus, Chair, First District
Paul Biane, Vice Chair, Second District
Dennis Hansberger, Third District
Gary Ovitt, Fourth District
Josie Gonzales, Fifth District

County Administrator

Mark Uffer

County Auditor/Controller-Recorder

Larry Walker

Visit the County's website at

www.sbcounty.gov

TECHNICAL NOTES

Information in the PAFR has been taken from the 2005 San Bernardino County Comprehensive Annual Financial Report (CAFR) and summarizes the financial activities of the primary government of San Bernardino County.

The PAFR is not audited and does not conform to Generally Accepted Accounting Principles (GAAP) and governmental accounting standards. The major differences between GAAP and non-GAAP reporting deal with the non-inclusion of the Investment Trust and Agency Funds; presentation of individual funds, and full disclosure of all material financial and non-financial notes to the financial statements. The PAFR is designed to be easier to read and understand.

THE BOARD OF SUPERVISORS



Bill Postmus, Chair
First District Supervisor



Paul Biane, Vice Chair
Second District Supervisor



Dennis Hansberger
Third District Supervisor



Gary Ovitt
Fourth District Supervisor



Josie Gonzales
Fifth District Supervisor



County Government Center

ECONOMIC OUTLOOK

While job growth slowed in California and the rest of the nation in 2004, the Inland Empire, (San Bernardino and Riverside Counties), continued its trend of job growth, even in the face of the state's budget crisis and challenging business climate. The Inland Empire leads the rest of California with steady job growth although slightly less than in the previous year.

The affordability of land in San Bernardino County continues to attract business and industry, as does the County's outstanding transportation network. That network includes close proximity to the West's two largest seaports, the Port of Los Angeles and the Port of Long Beach. In addition, the County is home to the strategic intersection of two major transcontinental railroads, a major international airport and a number of regionally and nationally significant freeways.

The County of San Bernardino's excellent transportation system and its availability of affordable land and housing, combine to positively impact the County's economy.

OTHER ELECTED OFFICIALS

ASSESSOR.....	DONALD E. WILLIAMSON
AUDITOR/CONTROLLER-RECORDER	LARRY WALKER
DISTRICT ATTORNEY	MIKE RAMOS
SHERIFF.....	GARY PENROD
SUPERINTENDENT OF SCHOOLS	DR. HERBERT R. FISCHER
TREASURER-TAX COLLECTOR.....	RICHARD LARSEN

CONTACT LIST***DIRECTORY OF COUNTY OFFICIALS*****APPOINTED**

AGING AND ADULT SERVICES.....	COLLEEN KRYGIER
AGRICULTURAL COMMISSIONER/SEALER	EDOUARD P. LAYAYE
AIRPORTS	BILL INGRAHAM
ARCHITECTURE AND ENGINEERING.....	CARL ALBAN
ARROWHEAD REGIONAL MEDICAL CENTER.....	JUNE GRIFFITH-COLLISON
BEHAVIORAL HEALTH	ALLAN RAWLAND
CHILD SUPPORT SERVICES.....	CONNIE BRUNN
CHILDREN'S SERVICES	CATHY CIMBALO
CLERK OF THE BOARD OF SUPERVISORS	DENA SMITH
COMMUNITY ACTION PARTNERSHIP	PATRICIA L. NICKOLS
COMMUNITY DEVELOPMENT & HOUSING.....	THOMAS R. LAURIN
COUNTY ADMINISTRATIVE OFFICER	MARK UFFER
COUNTY COUNSEL	RON REITZ
COUNTY LIBRARIAN	ED KIECZYKOWSKI
FACILITIES MANAGEMENT	DAVE GIBSON
FIRE DEPARTMENT/FIRE WARDEN	PETER R. HILLS
FLEET MANAGEMENT	ROGER G. WEAVER
HUMAN RESOURCES	ANDREW LAMBERTO
HUMAN SERVICES SYSTEM.....	LINDA HAUGAN
INFORMATION SERVICES	STEPHEN HALL
JOBS AND EMPLOYMENT SERVICES DEPARTMENT	BARBARA HALSEY
LAND USE SERVICES	MICHAEL HAYS
LEGISLATIVE AFFAIRS.....	JIM LINDLEY
MUSEUM	ROBERT McKERNAN
PRESCHOOL SERVICES	RON GRIFFIN
PROBATION	JERRY L. HARPER
PUBLIC DEFENDER (INTERIM).....	GEALD FARBER
PUBLIC HEALTH	JAMES FELTEN
PUBLIC & SUPPORT SERVICES GROUP	PATRICIA L. NICKOLS
PUBLIC WORKS	PATRICK MEAD
PURCHASING	AURELIO W. DE LA TORRE
REAL ESTATE SERVICES.....	DAVID H. SLAUGHTER
REDEVELOPMENT AGENCY	JOHN NOWAK
REGIONAL PARKS.....	THOMAS POTTER
REGISTRAR OF VOTERS	KARI VERJIL
SPECIAL DISTRICTS.....	TOM SUTTON
TRANSITIONAL ASSISTANCE DEPARTMENT	NANCY SWANSON
VETERANS' AFFAIRS.....	BILL J. MOSELEY
WORKFORCE DEVELOPMENT	BARBARA HALSEY

FINANCIAL OVERVIEW

The County's Governmental financial activities are primarily accounted for in the governmental funds where the focus is not on profit and loss, but rather on services rendered and the costs incurred to provide those services. The County's business-type activities, similar to those found in the private sector, are accounted for in the enterprise fund operations.

Program revenues include:

Charges for services—licenses, permits, other fees, fines, forfeitures, and charges paid by the recipients of goods and services offered by County programs.

Operating/Capital grants and contributions—grants and contributions received from other governments, organizations and individuals that are restricted in some manner; and investment earnings that are restricted to meeting the operational or capital requirements of a particular program.

General Revenues are those revenues that are not classified as program revenues. All taxes, even those that are levied for a specific purpose, are considered general revenues.

General Government expenses are the costs incurred for the County's administrative offices, including the Board of Supervisors, County Administrative Office, Auditor/Controller-Recorder, Treasurer-Tax Collector, and Assessor.

Public Protection expenses are the costs incurred for the judicial and public safety activities of the County, including Trial Courts, District Attorney, Public Defender, Sheriff, Coroner, Probation, Flood Control and Land Use Services.

Public Ways and Facilities expenses are the costs incurred to maintain county roads, bridges, and airports.

Health and Sanitation expenses are the costs incurred by the various health departments, including Public Health, Behavioral Health, Alcohol and Drug Prevention, and California Children's Services.

Education expenses are the costs of the County Library and County Superintendent of Schools.

Public Assistance expenses are costs for Welfare Aid Programs, Economic Development, Aging and Adult Services, Jobs and Employment Services, and Veterans Affairs.

Recreation and Cultural Services expenses are costs related to the County Museum, Regional Parks, and Glen Helen Amphitheatre.

Transfers are payments made between county funds, both governmental and proprietary.

Interest on Long Term Debt accounts for the interest payments made on County debt.

Medical Center expenses are the costs incurred to operate the County Hospital.

Waste Systems expenses are the costs to operate the County landfills.

Other expenses are the costs to operate the County's other enterprise funds.

Revenues are monies the County receives from a variety of sources to pay for the services it provides.

Expenses are the amounts spent to provide services to citizens.

FINANCIAL POSITION STATEMENT (IN THOUSANDS OF DOLLARS)

	Governmental	Business-Type	
	Activities	Activities	Total
Cash and cash equivalents	725,232	79,767	804,999
Receivables	37,881	43,440	81,321
Due From Other Governments	238,531	19,095	257,626
Capital Assets	1,197,855	598,811	1,796,666
Other Assets	871,533	178,938	1,050,471
Total assets	3,071,032	920,051	3,991,083
Accounts payable and other liabilities	40,584	22,441	63,025
Salaries and benefits payable	50,699	8,952	59,651
Due to other governments	24,275	1,333	25,608
Notes, bonds, loans, and leases payable	12,864	13,285	26,149
Other liabilities	17,072	16	17,088
Portion due or payable in one year	141,591	52,582	194,173
Portion due or payable after one year	1,249,654	721,989	1,971,643
Total liabilities	1,536,739	820,598	2,357,337
Net assets:			
Invested in capital assets, net of related debt	919,051	(45,032)	874,019
Restricted	465,540	47,908	513,448
Unrestricted	149,702	96,577	246,279
Total Net Assets	\$ 1,534,293	\$ 99,453	\$ 1,633,746

Cash and cash equivalents includes the physical cash held by the County in checking accounts and on its treasury for purposes of paying expenses.

Receivables are amounts owed to the County and are expected to be collected over the course of the next twelve months.

Due from other governments is a major portion of receivables owed to the County by other local, State, and Federal entities for grants and services provided to them by the County.

Capital assets represent equipment, vehicles, land, buildings, and the County's roads and bridges that provide an economic benefit to the County of more than one year.

Other assets includes prepaid items, deferred charges and inventories.

Accounts payable and other liabilities are those payments that the County owes to companies or individuals who supply services or goods to the County.

Salaries and benefits payable are amounts owed to the County's employees for salaries and related benefits.

Due to other governments is the amount owed to other governmental agencies for goods or services provided by them to the County.

Notes, bonds, loans, and leases payable are the amounts owed for the issuance of debt on which the County still owes.

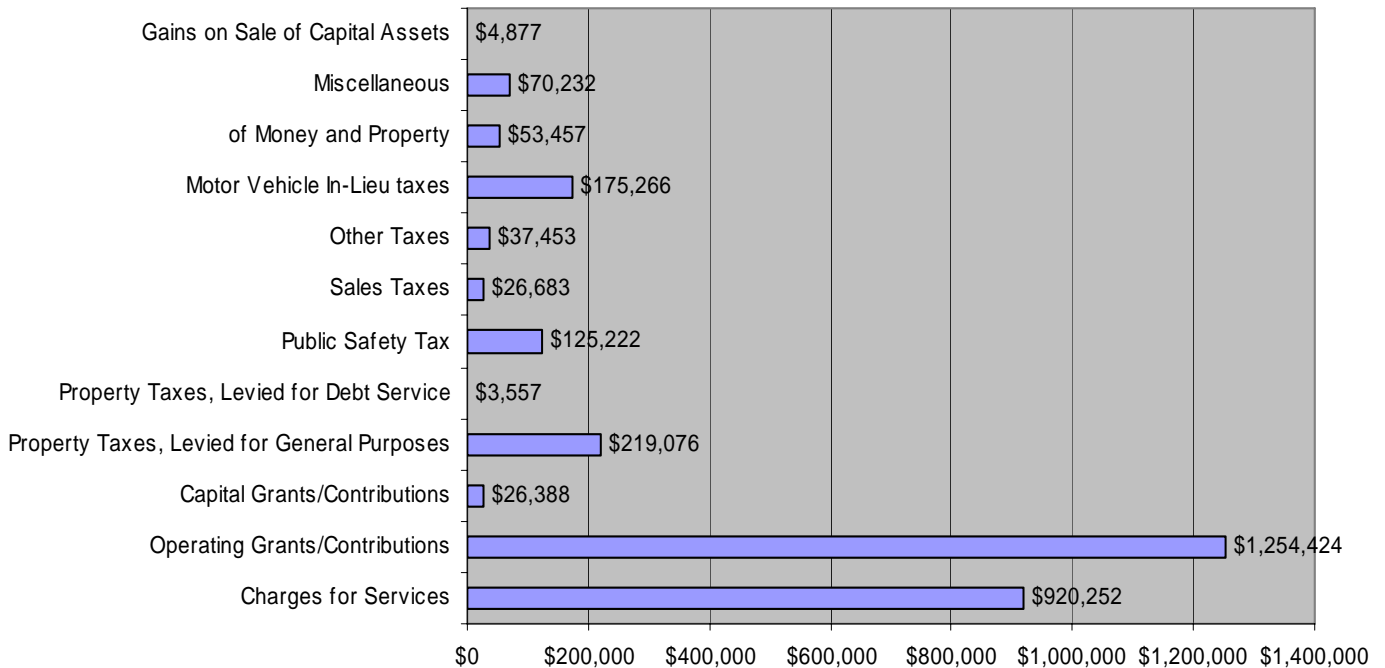
Assets are those items owned by the County that will provide a benefit in the future.

Liabilities are those items that the County owes to individuals, companies, other governments, and lenders.

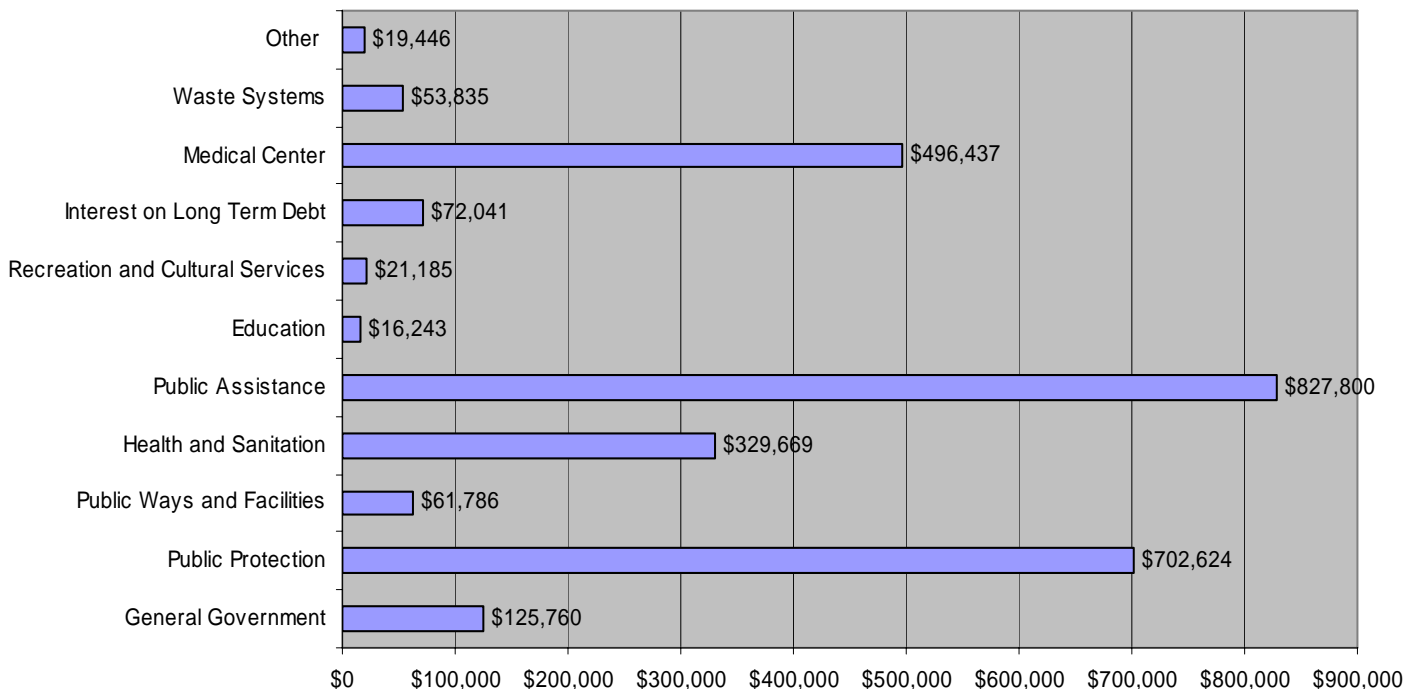
FINANCIAL ACTIVITY STATEMENT (IN THOUSANDS OF DOLLARS)

	Governmental	Business-Type	
	Activities	Activities	Total
<u>Revenues:</u>			
Program Revenues			
Charges for Services	\$ 408,884	\$ 511,368	\$ 920,252
Operating Grants/Contributions	1,238,663	15,761	1,254,424
Capital Grants/Contributions	6,129	20,259	26,388
General Revenue		-	-
Property Taxes, Levied for General Purposes	213,644	5,432	219,076
Property Taxes, Levied for Debt Service	3,557	-	3,557
Public Safety Tax	125,222	-	125,222
Sales Taxes	26,683	-	26,683
Other Taxes	37,453	-	37,453
Motor Vehicle In-Lieu taxes	175,266	-	175,266
Unrestricted Revenues from Use			-
of Money and Property	43,762	9,695	53,457
Miscellaneous	63,545	6,687	70,232
Gains on Sale of Capital Assets	4,857	20	4,877
Total Revenues	2,347,665	569,222	2,916,887
<u>Expenses:</u>			
General Government	125,760	-	125,760
Public Protection	702,624	-	702,624
Public Ways and Facilities	61,786	-	61,786
Health and Sanitation	329,669	-	329,669
Public Assistance	827,800	-	827,800
Education	16,243	-	16,243
Recreation and Cultural Services	21,185	-	21,185
Interest on Long Term Debt	72,041	-	72,041
Medical Center	-	496,437	496,437
Waste Systems	-	53,835	53,835
Other	-	19,446	19,446
Total Expenses	2,157,108	569,718	2,726,826
Excess (Deficit) before Transfers	190,557	(496)	190,061
Transfers	(26,618)	26,618	-
Increase in Net Assets	163,939	26,122	190,061
Net Assets -- Beginning of Year, as Restated	1,370,354	73,331	1,443,685
Net Assets -- End of Year	\$ 1,534,293	\$ 99,453	\$ 1,633,746

San Bernardino County Revenues For 2005: \$2,916,887
(Thousands of Dollars)



San Bernardino County Expenditures For 2005: \$2,726,826
(Thousands of Dollars)



COUNTY'S DEBT INSTRUMENTS

Certificates of Participation are long-term debt instruments that are repaid from the County's general revenue sources. They are backed by the full faith and credit of the County.

General Obligation Bonds are long-term debt instruments that are repaid from the County's general revenue sources. They are backed by the full faith and credit of the County.

Revenue Bonds are issued to pay for the County's unfunded pension obligation liability.

Long-Term Loans are debt instruments issued by the County for various public works projects.

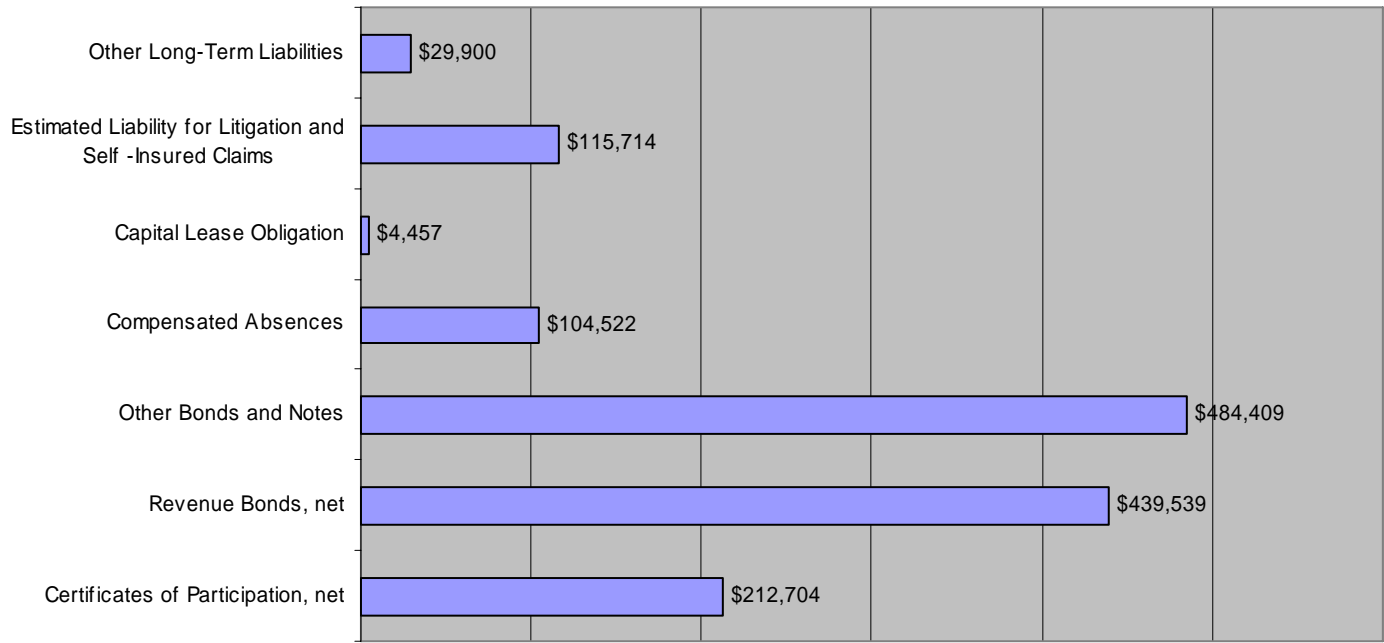
Capital Lease Obligations are contracts made by the County's departments for the acquisition of assets such as copiers, mail machines, and so forth. The departments pay for these contracts from their annual budgets.

SUMMARY OF DEBT OBLIGATIONS (IN THOUSANDS OF DOLLARS)

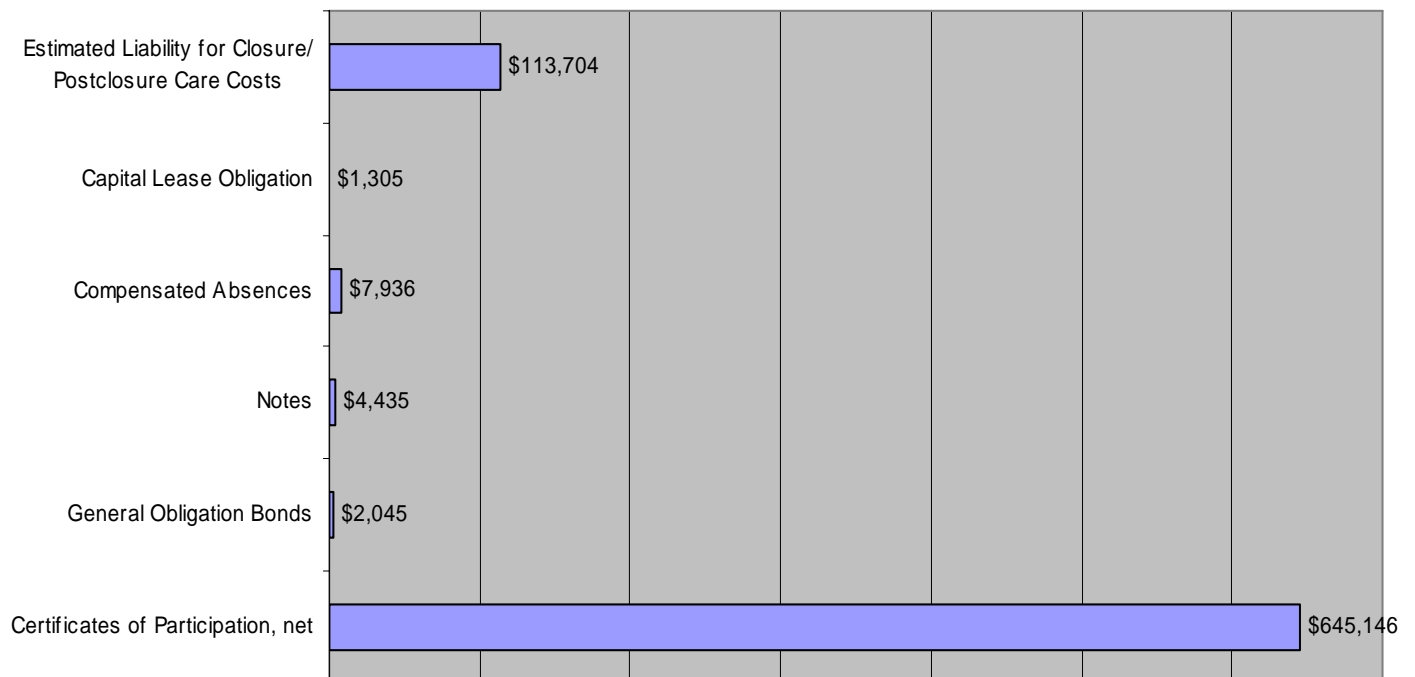
	Balance			Ending	
	July 1, 2004	Additions	Reductions	Balance June 30, 2005	Due Within One Year
Governmental Activities					
Certificates of Participation, net	\$ 225,523	\$ 2,565	\$ 15,384	\$ 212,704	\$ 12,545
Revenue Bonds, net	437,820	17,199	15,480	439,539	18,200
Other Bonds and Notes	484,755		346	484,409	2,592
Compensated Absences	100,135	71,641	67,254	104,522	69,447
Capital Lease Obligation	5,517	796	1,856	4,457	1,172
Estimated Liability for Litigation and Self -Insured Claims	101,709	44,309	30,304	115,714	36,826
Other Long-Term Liabilities	<u>26,553</u>	<u>4,097</u>	<u>750</u>	<u>29,900</u>	<u>809</u>
 Total Governmental Activities - Long-term Liabilities	 <u>\$ 1,382,012</u>	 <u>\$ 140,607</u>	 <u>\$ 131,374</u>	 <u>\$ 1,391,245</u>	 <u>\$ 141,591</u>
 Business-type Activities					
Certificates of Participation, net	\$ 670,652	\$ 2,454	\$ 27,960	\$ 645,146	\$ 29,500
General Obligation Bonds	2,321	4	280	2,045	165
Notes	3,836	797	198	4,435	305
Compensated Absences	7,255	7,769	7,088	7,936	5,860
Capital Lease Obligation	1,659	-	354	1,305	366
Estimated Liability for Closure/ Postclosure Care Costs	<u>122,420</u>	<u>-</u>	<u>8,716</u>	<u>113,704</u>	<u>16,386</u>
 Total Business-type Activities - Long-term Liabilities	 <u>\$ 808,143</u>	 <u>\$ 11,024</u>	 <u>\$ 44,596</u>	 <u>\$ 774,571</u>	 <u>\$ 52,582</u>
 Total County Debt	 <u>\$ 2,190,155</u>	 <u>\$ 151,631</u>	 <u>\$ 175,970</u>	 <u>\$ 2,165,816</u>	 <u>\$ 194,173</u>

THE COUNTY'S LONG-TERM DEBT (IN THOUSANDS OF DOLLARS)

The County's Governmental Activities
Long-Term Debt: \$1,391,245



The County's Business-type Activities
Long Term Debt: \$774,571



PROPERTY VALUES AND TAX COLLECTIONS

COUNTY OF SAN BERNARDINO

PROPERTY TAX LEVIES, COLLECTIONS, AND DELINQUENCIES

LAST TEN FISCAL YEARS (AMOUNTS IN THOUSANDS OF DOLLARS)

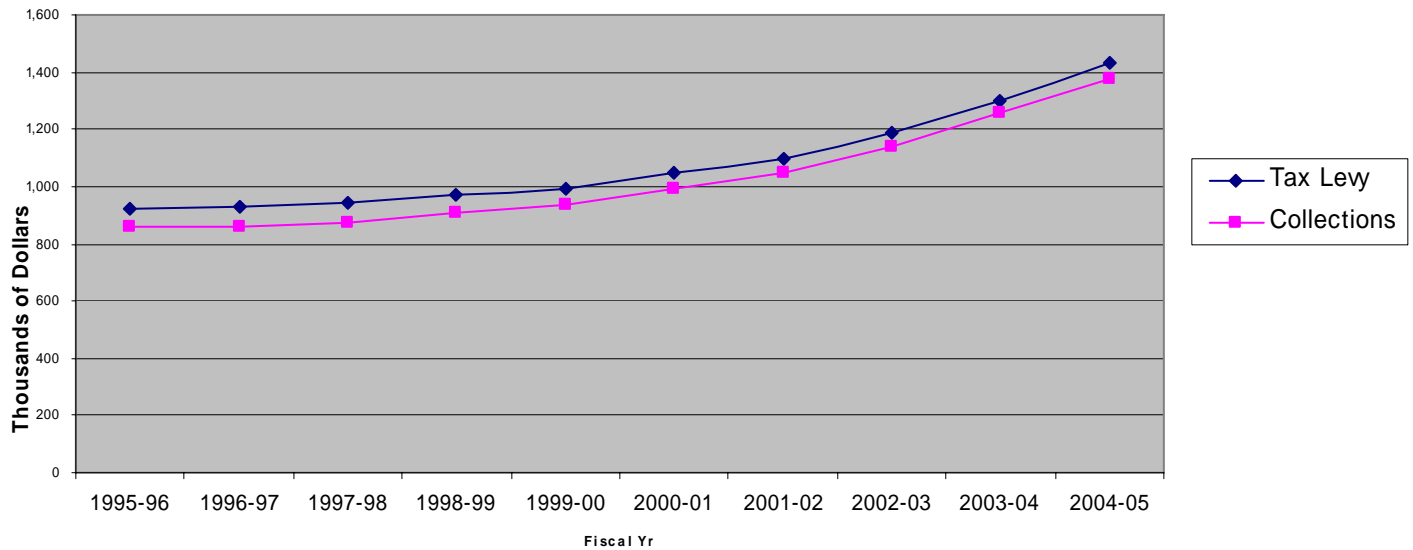
JUNE 30, 2005

FISCAL YEAR	TAX LEVY AMOUNT	COLLECTIONS		DELINQUENCY	
		AMOUNT (1)	PERCENT	AMOUNT	PERCENT
1995-96	924,364	858,062	92.8	66,302	7.2
1996-97	931,302	862,854	92.7	68,448	7.3
1997-98	940,414	874,882	93.0	65,532	7.0
1998-99	970,426	906,204	93.4	64,222	6.6
1999-00	995,499	938,047	94.2	57,452	5.8
2000-01	1,044,654	995,354	95.3	49,300	4.7
2001-02	1,095,919	1,051,265	95.9	44,653	4.1
2002-03	1,187,114	1,139,679	96.0	47,435	4.0
2003-04	1,297,403	1,257,459	96.9	39,943	3.1
2004-05	1,430,975	1,379,658	96.4	51,317	3.6

Note:

- (1) Included above, are amounts collected by the County on behalf of itself, school districts, cities and special Districts.

Source: Auditor/Controller-Recorder, County of San Bernardino.

Property Tax Collections for the Last Ten Years

COUNTY OF SAN BERNARDINO
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

JUNE 30, 2005

FISCAL YEAR	(1) POPULATION COUNTY OF SAN BERNARDINO	(1) POPULATION STATE OF CALIFORNIA	(2) POPULATION UNITED STATES	(3) SCHOOL ENROLLMENT	(4) UNEMPLOYMENT RATE COUNTY OF SAN BERNARDINO
1995-96	1,589,000	32,321,000	264,023,000	336,000	7.9
1996-97	1,587,000	32,609,000	266,490,000	347,000	7.2
1997-98	1,621,000	33,252,000	270,732,000	357,000	6.3
1998-99	1,654,000	33,773,000	273,630,000	365,000	5.6
1999-00	1,689,000	34,336,000	275,377,000	374,000	4.8
2000-01	1,764,000	34,818,000	276,059,000	383,000	4.6
2001-02	1,784,000	35,037,000	287,170,000	394,000	5.6
2002-03	1,833,000	35,591,000	288,100,000	407,000	5.5
2003-04	1,886,000	36,144,000	294,609,000	419,000	5.9
2004-05	1,946,000	36,810,000	297,518,000	423,000	5.4

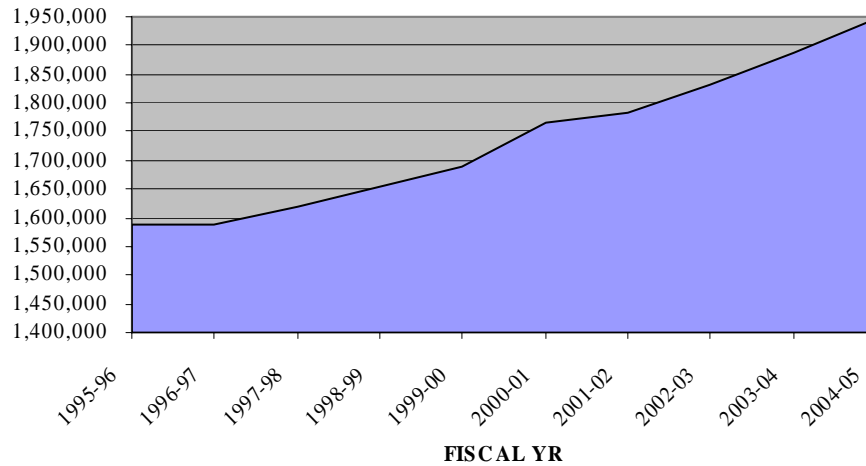
(1) Source: California Department of Finance.

(2) Source: U. S. Census Bureau.

(3) Source: Superintendent of Schools.

(4) Source: California Employment Development Department.

COUNTY POPULATION



COUNTY EMPLOYEES:

1995-96	14,341
1996-97	14,650
1997-98	15,444
1998-99	16,637
1999-00	17,538
2000-01	17,535
2001-02	18,544
2002-03	18,265
2003-04	17,491
2004-05	17,727

COUNTY EMPLOYEE WORKFORCE

